

Notice No.: 98-012

Date: December 28, 1998

Applies to: All Employers

Subject: Implementation of the DRS Receivables Management System

In January 1999, the Department of Retirement Systems (DRS) will implement a new Receivables Management System (RMS). DRS has worked with a selected group of employers to help develop the requirements of the new system. The new system will provide an enhanced accounts receivable statement that will make it easier for employers to reconcile their invoices (for example, monthly transmittal reports) to their payments. DRS Notice 98-009 described some of the benefits RMS will provide. This notice provides specific information regarding the new statement and includes the Statement of Account Activity pamphlet, which provides instructions on how to read the new statement and how interest is calculated.

New statement design

Your new monthly statement will be known as the “Statement of Account Activity” and replaces the “Accounts Receivable (AR) Statement.” Employers will receive one Statement of Account Activity each month, which reflects the status of their account. The following are some of the changes you will see with the new statement.

- Employers can choose whether they want to see detailed or summary transmittal information on the statement. Detailed transmittal report information will be reflected until March 1999. After March 1999, employers may request the summary option by calling their Account Manager.
 - The detailed information will reflect the employer-reported amounts, DRS-calculated amounts, DRS-rejected transaction totals and DRS-recalculated transaction totals of the Contribution Transmittal (CT) invoice.
 - The summary option shows the DRS-calculated member and employer contribution amounts of the CT invoice.

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- Unique invoice numbers will be assigned to each receivable item, to simplify account reconciliation for the employer.
 - Each receivable balance (the invoice, the associated payment and any adjustments) will be reflected in the Balance Due column. Interest will be charged on each past-due receivable with an outstanding debit balance.
 - Deferred Compensation or Dependent Care Savings Recovery program information will be included if applicable.
 - System and plan totals will no longer be reflected since interest is calculated on each receivable balance rather than the account balance.
 - A page break occurs between each system for employers who report more than one system; e.g., PERS and LEOFF.

Interest calculation method changed

Currently DRS charges employers interest on the overall account balance. With the new system, DRS will charge interest on each outstanding debit balance, rather than on the overall account balance. (See WAC 415-114.)

The 15th of the month is the due date for all employer invoices. Interest will be assessed beginning the 16th of the month on outstanding debit balances that exist at the close of the third business day after the 15th. Interest will continue to accrue until the necessary payment is received. In the event of a DRS billing error, DRS will reverse any interest charged in error.

Note: Outstanding receivable balances in the current AR system will convert to the new RMS in the present format. The current format groups all invoices into one receivable balance, within a specific month and year. Current interest charges for outstanding debit balances will be shown on the January 1999 statement for November 1998 and prior reporting periods, using the current reporting group format of month and year. DRS encourages employers to reconcile these outstanding receivables prior to January 1999 to reduce the likelihood of interest assessment. Interest will be assessed, using the unique invoice numbers for the first time, on debit balances for the December 1998 reporting period.

January 1999 Statement of Account Activity

The January 1999 statement will be the first statement that shows the new format. On that statement the December 1998 transmittal reporting period and other December invoices will be reflected with unique invoice numbers. Contribution Transmittal Reports processed and payments received by January 21 will be reflected on this statement. The statement is scheduled to be in the mail during the last week of January 1999.

Assignment of unique invoice numbers

To simplify account reconciliation, each DRS-generated invoice will be listed as a separate invoice with a unique eight-digit invoice number. Contribution Transmittals (CT invoice) will continue to be identified by the reporting period (051999 for May 1999).

Forms revised for new system

Implementation of the new system, and the use of unique invoice numbers, necessitated revising the Payment Advice and Credit Redistribution forms. Employers should begin using the revised forms for payments and any necessary credit redistributions in January 1999. Twelve copies of each form are attached to this notice. Feel free to make copies of each of these forms. The revised forms are:

- Payment Advice
- Plan 3 Payment Advice (for education employers only)
- Credit Redistribution

Following are important dates to remember in the accounts management process.

- “Due Date” is the 15th day of the month.
 - Transmittals and all other invoice payments must be received, with a Payment Advice form, by the due date, or interest may be assessed beginning on the 16th of the month.
- “Timely Date” is three business days following the due date.
 - Transmittals not received by the close of business on the timely date are subject to a penalty assessment.
 - Interest fees begin to accrue on the 16th of the month if full payment is not received by the “Timely Date.”

Enclosed pamphlet provides additional information

The pamphlet titled *Statement of Account Activity* provides additional information regarding the new statement and interest calculation process. Examples of the new statement and corresponding processes are also included. Employers should use this document for reference regarding the new statement design and the procedures for working with the statement.

Detailed instructions included in updated Employer Handbook

The *DRS Employer Handbook* will be republished in January 1999 and will include detailed system instructions. Information regarding the payment forms, invoices and the statement will be included in the revised handbook.

Questions?

If you have questions about the Receivables Management System, contact Jenice Thompson, Accounts Receivable Manager, at (360) 753-5246 or call the Accounts Receivable Unit at 1-800-547-6657.

This Notice can also be accessed on the DRS Web site at **<http://www.wa.gov/DRS/employer>**.

Mark A. Feldhausen
Assistant Director, Administrative Services

1998 DRS Notices

For a copy of a Notice, call (360) 586-0052 or 1-800-547-6657.

Notice No.	Applies to/ Subject Matter
98-001	All Employers Changes to Excess Compensation Definition
98-002	All Employers Toll Free Telephone Service Implemented
98-003	Office of the Administrator for the Courts New Judges <i>Pro Tempore</i>
98-004	All Employers Year 2000 Information and Employer Reporting Requirements
98-005	Political Subdivision Employers Deferred Compensation Program Assets to be Held in Trust
98-006	All Employers Summary of 1998 Legislation
98-007	All TRS Employers Members' Annual Statement and Sequencing Information
98-008	Future SERS Employers Creation of School Employees' Retirement System (SERS)
98-009	All Employers Creation of the DRS Receivables Management System
98-010	All Employers Preliminary Notice Regarding Potential Reductions in Employer and Member Contribution Rates
98-011	All PERS Employers PERS Membership Eligibility for Former Members and Retirees of WSPRS and LEOFF
98-012	All Employers Implementation of the DRS Receivables Management System